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DEPARTMENT OF COMMERCE
International Trade Administration

C-557-817

Certain Steel Nails from Malaysia: Preliminary Negative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that de minimis countervailable subsidies are being provided to producers and exporters of certain steel nails (nails) from Malaysia. The period of investigation is January 1, 2013, through December 31, 2013. Interested parties are invited to comment on this preliminary determination.

DATES: Effective Date: Insert date of publication in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Yasmin Nair and Ilissa Shefferman, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3813 and (202) 482-4684, respectively.

SUPPLEMENTARY INFORMATION:

On June 25, 2014, the Department initiated this countervailing duty (CVD) investigation.¹ On the same day, the Department also initiated an antidumping duty (AD) investigation of nails from Malaysia.² On August 7, in response to a request from the Petitioner, Mid-Continent Steel & Wire, Inc., the Department postponed the preliminary determinations in the CVD investigations.

Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination

In accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(b)(4), and based on Petitioner's request, we are aligning the final CVD determination in this investigation with the final determination in the companion AD investigation of nails from Malaysia. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than March 2, 2015, unless postponed.

Scope of the Investigation

The products covered by this investigation are certain steel nails. For a complete description of the scope of the investigation, see Appendix 1 to this notice.

¹ See Certain Steel Nails from India, the Republic of Korea, Malaysia, the Sultanate of Oman, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam, 79 FR 36014 (June 25, 2014).

² See Certain Steel Nails From the Republic of Korea, Malaysia, the Sultanate of Oman, Taiwan, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations, 79 FR 36019 (June 25, 2014).

Methodology

The Department is conducting this CVD investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.³ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Determination

We preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate
Inmax Sdn. Bhd. and Inmax Industries Sdn. Bhd.	0.01 percent (<u>de minimis</u>) ⁴
Region International Co., Ltd. and Region System Sdn. Bhd.	0.02 percent (<u>de minimis</u>) ⁵

Consistent with section 703(d) of the Act, the Department has not calculated an all-others rate because it has not reached an affirmative preliminary determination. Because the estimated

³ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance regarding "Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation of Certain Steel Nails from Malaysia," dated concurrently with this notice (Preliminary Decision Memorandum). For a list of topics discussed in the Preliminary Decision Memorandum, see Appendix 2 to this notice.

⁴ In accordance with 703(b)(4) of the Act, we are disregarding de minimis subsidies for the purposes of this preliminary determination.

⁵ Id.

subsidy rates for the examined companies are de minimis, we will not direct U.S. Customs and Border Protection to suspend liquidation of entries of subject merchandise from Malaysia.

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.⁶ Interested parties may submit case and rebuttal briefs,⁷ and request a hearing.⁸ For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, see the Preliminary Decision Memorandum.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

October 27, 2014

Date

⁶ See 19 CFR 351.224(b).

⁷ See 19 CFR 351.309(c) and (d).

⁸ See 19 CFR 351.510.

Appendix 1

Scope of the Investigation

The merchandise covered by this investigation is certain steel nails having a nominal shaft length not exceeding 12 inches.⁹ Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted. Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25.

Excluded from the scope of this investigation are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25.

Also excluded from the scope of this investigation are steel nails that meet the specifications of Type I, Style 20 nails as identified in Tables 29 through 33 of ASTM Standard F1667 (2013 revision).

Also excluded from the scope of this investigation are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 7317.00.20.00 and 7317.00.30.00.

Also excluded from the scope of this investigation are nails having a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (“HRC”), a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools.

Also excluded from the scope of this investigation are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side.

Also excluded from the scope of this investigation are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.

⁹ The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

Certain steel nails subject to this investigation are currently classified under HTSUS subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to this investigation also may be classified under HTSUS subheading 8206.00.00.00.

While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix 2

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Alignment
4. Scope Comments
5. Scope of the Investigation
6. Respondent Selection
7. Injury Test
8. Subsidies Valuation
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11. ITC Notification
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14. Conclusion

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